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CENTRAL INTELLIGENCE GROUP INTELLIGENCE REPORT

25X1

COUNTRY Germany/Russian Zone

DATE:

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INFO. SUBJECT Organization of Plants Transferred into
Russian Ownership

DIST. 1 November 1946

PAGES 2

SUPPLEMENT

ORIGIN

This document is hereby regarded to
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RKI	X	3		X	X	X					
STATE	WAR	NAVY	JUSTICE	R & E	C & D	AIR					

- 25X1 1. It is reported that all industrial plants taken over by Russia in the Soviet
 25X1 Zone are organized by branches of industry in "combines" which belong to the
 25X1 "Soviet Industry A.G.", in Berlin-Weissensee. Thus far the following com-
 bines are reported:

1. Sowjetische Mineralöl A.G.
2. " A.G. für Leicht- und Buntmetalle
3. " Maschinen A.G.
4. Sowjetisches Zement-Kartell
5. " Kali-Syndikat
6. " Braunkohlen-Kombinat
7. Sowjetische Kraftwerke
8. " Eisen und Stahlwerke
9. " Chemische Werke
10. " Zeisswerke

The individual German firms to be assigned to these various combines have al-
 ready been decided in many cases. The Braunkohle, Kali, & Kraftwerke combines
 are already completely set up. No debts of the firms taken over are assumed by
 the Russians. Instead, all claims have to be made to a "liquidation office"
 of the respective German province or state. It is not known whether any pay-
 ments have been or will be made.

- 25X1 2. The Russian Director-General of each combine makes a complete inventory of all
 assets. they are generally appraised at 20-25 percent
 of their peace-time value. This inventory goes to the Soviet Industry A.G.,
 which, with the approval of SMA, cuts the figures by 50%. As a result, it is
 claimed that Germany receives no more than ten-fifteen percent credit on repara-
 tions accounts. In addition, no credit at all is given for natural resources owned
 by the respective firms, such as coal, ores, forests, etc.
3. The combines are working only on Russian production orders. Deliveries are made
 only to the Soviet Army, SMA, and other combines. Production is integrated with
 the Russian 5-year plan. The Russian directors, engineers, and technical experts
 are said to be of very high calibre; they put all emphasis on filling the quotas
 set for their plants.

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4. [redacted] machines and workers in the combines are working to capacity. On the other hand, efforts are being made to improve the lot of the workers. It is predicted that after all available raw materials have been used up, all machines and workers still capable of producing will be sent to the U.S.S.R.
5. Each plant has a Russian director-general assisted by a Russian directorate, consisting usually of a chief for commercial, technical, and financial sections. Under this directorate there are Russian supervisors who are younger experts trained in their respective fields. In addition, it is claimed that a MVD representative with a great deal of authority visits each plant frequently.

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